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The Marine Retailers Association of the Americas (MRAA), and undersigned Minnesota based boating businesses, write today to provide our feedback and input regarding the draft Minnesota Boat Wrap Stewardship Plan. We greatly appreciate the work of the Commercial and Industrial Flexible Film Recycling Organization (CIFFRO) and the Minnesota Pollution Control Agency (MPCA) on this program and their efforts to minimize the burden on Minnesota recreational marine businesses. We encourage CIFFRO and MPCA to continue to develop the Boat Wrap Stewardship Program in a way that minimizes the burden on marine retailers and their customers while diverting as much boat wrap out of the waste stream as possible.

The Marine Retailers Association of the Americas (MRAA) is the leading trade association of North American small businesses that sell and service new and pre-owned recreational boats and operate marinas, boatyards, and accessory stores. MRAA represents more than 1,300 individual member retail locations and conducts advocacy efforts on their behalf. Headquartered in Brooklyn Park, MN, we call Minnesota home and are proud to have more than 40 members located throughout the state.

It is no secret that recreational boating and fishing are two of the most popular pastimes in the Land of 10,000 lakes, supporting a strong and healthy outdoor recreation industry and community. In Minnesota, the abundant recreational boating and fishing opportunities means big business, generating \$6.9 billion in annual economic impact, supporting more than 25,000 jobs at 717 businesses throughout the state. Home to marine manufacturers, retailers, marinas, and other

businesses that are part of the recreational boating ecosystem, recreational boating is part of Minnesota's identity and is a major part of the state's economic backbone. Despite the strength of Minnesota's recreational boating industry, it is primarily comprised of small, family-owned businesses, and it is imperative that policies are crafted with these businesses in mind.

The MRAA and our Minnesota members greatly appreciate the work done by CIFFRO and the MPCA in the lead up to the distribution of the Draft Stewardship Plan. Furthermore, we greatly appreciate the work done by Reverse Logistics Group (RLG), as we worked closely with them to ensure that marine retailers, and other stakeholders in the Minnesota recreational boating industry, were involved throughout his process. In addition to our input throughout the process, we write today to formally comment on the "Minnesota Boat Wrap Stewardship Plan".

Section 1 – Stewardship Organization and Participating Brands

The MRAA and our Minnesota members understand that finding producers to be part of the Stewardship Organization was a difficult task, and one we even assisted RLG with, however, we urge the MPCA and CIFFRO to prioritize outreach to *producers* to ensure buy in from more than Dr. Shrink and Husky Marine. While we do appreciate the leadership of these two producers as the only members of the Stewardship Organization, they represent minority of boat wrap brands in the state. To ensure that Minnesota marine retailers can continue to serve their customers and keep longstanding business relationships, we urge CIFFRO and MPCA to prioritize adding more producers to the Stewardship Organization. The MRAA and our members are willing to assist you with this outreach.

Furthermore, the Draft Plan states "it is requested MPCA will utilize available enforcement actions to pursue non-compliant obligated producers." We ask MPCA to provide a "grace period", until January 1st, 2026, for non-compliant producers to join the Stewardship Organization. We ask for this "grace period" as we want to prioritize compliance with the program and believe that further outreach and education of the producers is needed before turning to enforcement actions.

Section 3 - Boat Wrap Collection Methods

The MRAA and our Minnesota Members greatly appreciate the approach regarding collection of used Boat Wrap laid out in Section 3, and support the variety of approaches listed. We support moving forward with a variety of collection methods as this will ensure that the burden on marine retailers to provide used boat wrap is minimized as they will be able to participate in collection using a method that works best for them.

Despite the variety of approaches listed, the MRAA and our Minnesota members are concerned with the potential extra time participating in collection may add to the overall process of removing boat wrap and commissioning the vessel. While marine retailers, marinas, and boat storage facilities seem like obvious choices for collection stations, unwrapping vessels and commissioning them for use after winter storage is already an expensive and labor-intensive process, with boat owners being charged hourly labor rates If marine retailers, marinas, and boat storage facilities are required to remove non-LDPE materials, clean, and dry the boat wrap, in order to be a collection station, significant time will be added to the unwrapping and commissioning process and the overall cost for consumers will increase. While preparing the boat wrap for collection may seem like a simple task, it is ultimately adding in an additional set of processes that Minnesota marine businesses simply do not have the capacity for at this time. Additionally, marine businesses may not even have the storage space necessary to ensure that the boat wrap is kept clean and dry while awaiting pickup, which adds yet another logistical challenge to this process. At the end of the day, these are small businesses and any additional burdens on their operations will ultimately result in a higher cost. This increased cost alone may cause the facilities to forgo becoming a critical part of this recycling operation.

The MRAA and our Minnesota Members urge CIFFRO and MPCA to make funds available to "Collectors" to offset any financial burden placed on the participant from the collection process. We ask CIFFRO and MPCA to consider the financial burden the collection process will place on marine retailers, and other boating businesses, and urge that funds be made available to help offset these costs, so they are not passed onto consumers. Should this cost be passed on to consumers, it would invalidate the claim made in the second paragraph of the Draft Boat Wrap Stewardship plan, which states "the Program is structured to provide convenient and *free* collection" (emphasis added).

Additionally, the MRAA and our Minnesota Members wish to work with CIFFRO and MPCA to help with operational approach #2, "*recruit new collection locations at marinas, boat storage facilities*". The MRAA would like to assist CIFFRO with outreach to our Minnesota Membership to help identify marinas, marine retailers, and boat storage facilities who wish to become part of the collection network.

However, if no funds are established to help offset the increased labor costs bared by marine retailers, boat storage facilities, and marinas, to aid in the collection of Boat Wrap, the MRAA will not be able to encourage our Minnesota members to become a collection point, as our members would have to bear an increased financial burden without any compensation or offset.

Alternatively, the MRAA and our Minnesota Members suggest that CIFFRO and MPCA consider overhauling the responsibilities for "*collectors*", or provide an exemption for Minnesota marine businesses, for removing non-LDPE and ensuring the wrap is "clean". While ensuring that the wrap is "clean" and free of non-LDPE items may seem simple, this will be a time-intensive task for Minnesota boating businesses who are already operating at or above maximum capacity as they get ready for the spring boating season. In order to prepare the boat wrap in adherence to the criteria put forth in the Draft Stewardship Plan, Minnesota boating businesses will likely have to invest in additional staff and equipment, costs that, without funds made available to them through the Stewardship Organization, may have to be passed onto consumers.

Section 7 - Methods Used to Recycle Boat Wrap and Nonrecyclable Materials

The MRAA and our Minnesota Members appreciate that MPCA and CIFFRO will work to establish a standard operating procedure (SOP) to get boat wrap ready for recycling, as this will help Minnesota boating businesses understand what is required of them to participate in this program. Despite the creation of this SOP, the MRAA and our Minnesota Members again urge MPCA and CIFFRO to consider removing these responsibilities from collectors or make funds available to offset the cost incurred by collectors to perform these duties.

In section 3, subsection "c", bullet "ii", it is stated "to minimize labor costs, CIFFRO will require collectors to remove these materials prior to consolidation." While we appreciate the focus of CIFFRO to minimize labor costs, we want to highlight that the provisions laid out in the Draft Stewardship Plan do not "minimize labor costs" but instead shift whom these costs are being placed on. Instead of requiring the organizations, who likely have the greatest labor capacity, to clean boat wrap and remove non-LDPE components, this burden is now being put on the small, family-owned marine businesses who are solely responsible for getting Minnesotans on the water. These businesses, as previously articulated, will have to balance the preparation of boat wrap with actual business functions during the business time of the boating season. It is important to understand the seasonality of Minnesota's boating season, as Minnesota marine businesses have an extremely short window to achieve profitability. With the key season being between May and September, most of the work and labor takes place during the start of the season to get boats commissioned and Minnesotans on the water. Now, during the busiest and most important part of the year, Minnesota boating businesses are being asked to take on additional responsibilities and burdens. This proposed SOP does not support the statement in Section 3, Subsection "c", Bullet "ii", as increased labor costs are being pushed down to the smallest businesses who have the least capacity.

Again, the MRAA and our Minnesota Members urge the MPCA and CIFFRO to amend this section to either provide an exemption for boating businesses to act as collection sites without having to clean and remove non-LDPE components, or make funds available to help offset the increased cost these small, family-owned boating businesses will incur. Pushing the burden down the supply does not minimizing labor costs—it only shifts *who* is paying for those increased labor costs. Lastly, the financial burden the proposed SOP places on our small, family-owned boating businesses will be exacerbated by increases in the cost of Boat Wrap if producers raise their prices to offset the money producers are required to provide to fund the Stewardship Organization.

Stakeholder Consultation

The MRAA and our Minnesota Members greatly appreciate the efforts on behalf of MPCA and RLG for their outreach to stakeholders throughout this process and for providing a variety of opportunities to provide input along the way.

Despite this outreach, concern among marine businesses throughout Minnesota still exists, as noted in the "*Stakeholder Consultation*" section which states that:

"Many expressed concerns about how the program may affect their businesses from an operational of financial stand-point and sought more clarification on certain topics or circumstances under the law."

The MRAA, as the leading trade association for marine retailers, has a detailed understanding of these concerns and hopes to work with MPCA and CIFFRO to address them because the Boat Wrap Recycling Program will not function effectively until these concerns are addressed, and Minnesota marine businesses feel empowered to join the program. The primary concern, quoted above, is that this program will add increased financial and operational burdens, requiring marine businesses to hire additional staff, spend additional time, and/or purchase additional equipment to come into compliance with the law.

Specifically, the requirement that the boat wrap is "clean" and free of "non-LDPE" materials is causing concern and outrage among Minnesota marine businesses as boats that are wrapped for storage are usually stored outside, exposed to the elements through a long and harsh Minnesota winter. More often than not, the boat wrap collects dirt and other contaminants from simply being outside. Furthermore, these boats are often stored and unwrapped in dirt lots. To keep the wrap clean and free of debris during this process would be unduly burdensome and cleaning the wrap afterwards would be time and labor intensive. The extra labor associated with maintaining the "cleanliness" of the wrap is a cause of concern for Minnesota marine businesses, as again, this will result in an additional financial and operational burden.

Furthermore, in conversations with Minnesota boating businesses, many stakeholders highlighted concern that the cost of boat wrap will increase, as producers will seek opportunities to offset the cost of funding the Stewardship Organization. The MRAA and our Minnesota Members will be closely tracking the price of boat wrap and comparing this to past years to determine if prices are raised. If this is indeed the case, this is a clear violation of the legislative intent, as Minnesota Statutes 115A.1416 Subd. 14 **User fees prohibited** clearly states "the stewardship program must be fully paid for by producers, without any fee, charge, surcharge, or any other cost to members of the public, businesses other than a producer, persons managing boat wrap, the state or any political subdivision, or any other person who is not a producer." According to the definitions set forth in 115A.1416, marine retailers, marinas, or even boat storage facilities are not considered "producers" and therefore any increased price to offset the establishment and administration of the Stewardship Organization is a breach of Minnesota law and therefore illegal.

On behalf of the MRAA and our Minnesota Members, we greatly appreciate your time and consideration of our comment. We hope that you can understand our concerns as they relate to increased cost and labor. Despite our concerns, MRRAA and our Minnesota Members hope you know we are more than willing to work with you on an equitable path forward that does not place undue burden on Minnesota's boating businesses. We hope that this comment letter can begin a dialog between the Stewardship Organization and Minnesota's recreational marine businesses to ultimately develop a boat wrap recycling program that will meet program goals while working in harmony with the small businesses who make up Minnesota's recreational boating industry. Should you have any questions or wish to discuss the contents of this comment

further, please do not hesitate to reach out to Chad Tokowicz, MRAA Government Relations Manager at <u>Chad@mraa.com</u>.

Thank you again for your time and consideration.

Sincerely,

Chad Tokowicz Government Relations Manager Marine Retailers Association of the Americas

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